



On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

## American Recovery and Reinvestment Act Report, Avery County

Avery County received more than \$24.5 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Alamance County total.



**Pell Grant Awards:**  
**378**



**Small Business Jobs:**  
**9**

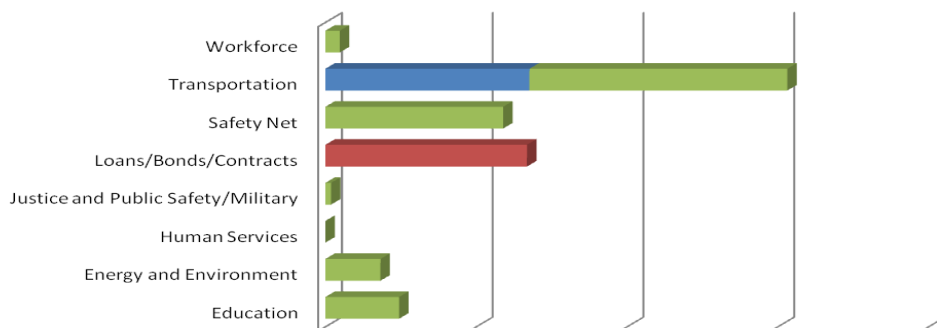


**Appliances rebated:**  
**36**



**Family homes financed:**  
**7**

### Avery County Totals



**Avery County,**  
pop 17,167 at a glance:

**Recovery Act Totals:**  
Grants: \$17,855,928.60  
Loans: \$1,052,093  
Bond: \$5,633,810

**Total: \$24,541,831.60**



## Education

The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

**Avery County schools** received \$3 million in education funding, including almost \$500,000 in Special Education funds, \$600,000 in Title I funds, \$1.3 million in SFSF funds, \$350,000 in Race to the Top funding and received a \$4.6 million bond allocation.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

**In Avery County** Lees-McRae College had 378 students funded by Pell Grants, worth almost \$1million.



## Family Assistance

The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

**In Avery County**, 7 families received assistance through this program totaling more than \$1 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina

residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

**Avery County** retailers sold 36 appliances through the Energy Star Appliance rebate program.



## Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

**In Avery County** 1 small business received an SBA loan guarantees worth \$1.8 million. According to the small business receiving this loan, the Recovery Act saved or created 9 jobs.



## Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

**In Avery County**, Banner Elk, The Town of Beech Mountain, and the Town of Seven Devils received JAG grants for a total of almost \$200,000.



## Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

**Avery County** residents received more than \$4 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received almost \$1 million in SNAP benefit increases, and almost \$1 million in one-time payments of \$250 to social security recipients.

## Avery County Feature Story

### Avery County builds new schools and new traditions with Recovery opportunities.

The American Recovery and Reinvestment Act placed a special emphasis on infrastructure projects as a way to immediately impact jobs in the engineering and construction sectors, and as a way to make important, lasting impact in communities. To further this goal, the Recovery Act established several new bond programs with zero or very low interest to allow state, local, and private entities to design construction and renovation projects at the ground level where these projects would have the most impact on a local economy. These bond programs gave the green light to many long-awaited projects across the state, including the development of new libraries, hospital facilities, recreational facilities, the construction of new schools, highways, water systems, and improvements to a host of critical infrastructure. North Carolina entities used more than \$3 billion in Recovery Act bond capacity.

The Recovery Act provided \$24.8 billion in bond authority to states and local governments for school infrastructure through two primary programs: a new Qualified School Construction Bonds (QSCBs) program and the expansion of the Qualified Zone Academy Bonds (QZABs) program. These are zero-interest, tax credit bond programs to provide a significant cost savings to school districts for construction and improvements. The Qualified School Construction Bond program provides Local Education Authorities with a method of funding construction/repair/renovation of public school facilities or for land acquisition for a public school facility.

In the town of Banner Elk, Avery County used \$4.6 million to finance the construction of a new elementary school. The old Banner Elk Elementary School was a stone building built in the 1930's as part of the Great Depression's Works Project Administration projects, and was overdue for a replacement.



The new elementary school was designed as a state-of-the-art 47,000 square foot facility able to serve more than double the number of students of the old elementary school. The new school has a full-sized gym, and a green geothermal heating system that will save the school system on the annual cost of operating the school.

The new Banner Elk Elementary opened for classes on August 10, 2011. The school's theme for this year is "Banner Elk Building a New Tradition."

Debra Cox, who is the new principal at the new school, said of the opening: "The parents and families are so excited, and we are thankful to the board and county commission for providing this for us. It's a wonderful thing, and it's a fabulous day for Banner Elk."

## Appendix, Avery County breakout

Federal Agency	Program Title	Recipient name	Recipient role <sup>i</sup>	Prime Amount <sup>ii</sup>	Unique Sub Awards <sup>iii</sup>	Loans	Additional Economic Activity (not counted toward totals) <sup>iv</sup>
	Bonds		P			\$4,645,266.00	
		Avery County	P			\$354,734.00	
		Seven Devils	P			\$633,810.00	
	Federal Pell Grant Program	Lees-Mcrae College	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$1,027,093.00	
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$933,763.20		
Department of Energy	Weatherization Assistance for Low-Income Persons	W A M Y Community Action Inc	S	\$0.00	\$1,822,773.00	\$0.00	
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Avery Senior Services	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Avery Senior Services	SV	\$0.00	\$0.00	\$0.00	
Department of Justice	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	Banner Elk, Town Of	S	\$0.00	\$72,644.57	\$0.00	
				\$0.00	\$72,644.57	\$0.00	
		Beech Mountain, Town Of	S	\$0.00	\$15,200.00	\$0.00	
				\$0.00	\$14,772.05	\$0.00	
		Seven Devils, Town Of	S	\$0.00	\$14,967.76	\$0.00	
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$4,037,917.78		
Federal Highway Administration	Highway Planning and Construction	Maymead, Inc.	PV	\$0.00		\$0.00	\$1,030,620.00
				\$0.00		\$0.00	\$506,038.26
		North Carolina Department Of Transportation	P	\$1,030,620.00		\$0.00	\$1,030,620.00
				\$5,740,000.00		\$0.00	\$5,740,000.00
		Vaughn & Melton	PV	\$0.00	\$0.00	\$0.00	

		Consulting Engineers				
<b>Federal Transit Administration</b>	Formula Grants for Other Than Urbanized Areas	Avery, County Of	S	\$0.00	\$242,644.00	\$0.00
<b>Idaho Operations Office</b>	Energy Efficient Appliance Rebate Program (EEARP)		P		\$6,736.50	\$0.00
<b>Office of Elementary and Secondary Education</b>	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Avery County School District	S	\$0.00	\$1,332,687.00	\$0.00
		Crossnore Academy	S	\$0.00	\$43,282.00	\$0.00
		Grandfather Academy	S	\$0.00	\$25,944.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Avery County School District	S	\$0.00	\$302,052.00	\$0.00
		Crossnore Academy	S	\$0.00	\$72,907.00	\$0.00
	Title I Grants to Local Educational Agencies, Recovery Act	Avery County School District	S	\$0.00	\$445,752.00	\$0.00
		Crossnore Academy	S	\$0.00	\$126,486.00	\$0.00
		Grandfather Academy	S	\$0.00	\$95,920.00	\$0.00
<b>Office of Special Education and Rehabilitative Services</b>	Special Education Grants to States, Recovery Act	Avery County School District	S	\$0.00	\$453,174.00	\$0.00
		Crossnore Academy	S	\$0.00	\$16,398.18	\$0.00
		Grandfather Academy	S	\$0.00	\$10,893.00	\$0.00
<b>Small Business Administration</b>	Loans	The Mast Farm Inn	L			\$25,000.00
<b>SSA</b>	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$925,750.00	
<b>Grand Total</b>				\$6,770,620.00	\$11,085,308.60	\$6,685,903.00
						\$8,307,278.26

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<sup>i</sup> Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

<sup>ii</sup> Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to [www.federalreporting.gov](http://www.federalreporting.gov)

<sup>iii</sup> Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

<sup>iv</sup> Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.